



**[BILLING CODE: 4810-033-P]**

**DEPARTMENT OF THE TREASURY**

**Office of the Comptroller of the Currency**

**Agency Information Collection Activities:**

**Revision of an Approved Information Collection; Submission for OMB Review;  
Company-Run Annual Stress Test Reporting Template and Documentation for  
Covered Institutions with Total Consolidated Assets of \$50 Billion or More under  
the Dodd-Frank Wall Street Reform and Consumer Protection Act**

**AGENCY:** Office of the Comptroller of the Currency, Treasury (OCC).

**ACTION:** Notice and request for comment.

**SUMMARY:** The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other federal agencies to take this opportunity to comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995 (PRA).

In accordance with the requirements of the PRA, the OCC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number.

Currently, the OCC is finalizing a revision to a regulatory reporting requirement for national banks and federal savings associations titled, “Company-Run Annual Stress Test

Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$50 Billion or More under the Dodd-Frank Wall Street Reform and Consumer Protection Act.” The OCC also is giving notice that it has sent the collection to OMB for review.

**DATES:** Comments must be received by [Insert 30 days from date of publication in FEDERAL REGISTER.]

**ADDRESSES:** Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by e-mail, if possible.

Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557-0319, 400 7th Street, SW., suite 3E-218, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov). You may personally inspect and photocopy comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hearing impaired, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Additionally, please send a copy of your comments by mail to: OCC Desk Officer, 1557-0319, U.S. Office of Management and Budget, 725 17th Street, NW., #10235, Washington, DC 20503, or by email to: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** Shaquita Merritt, OCC Clearance Officer, (202) 649-5490 or, for persons who are deaf or hearing impaired, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., Washington, DC 20219. In addition, copies of the templates referenced in this notice can be found on the OCC's website under News and Issuances (<http://www.occ.treas.gov/tools-forms/forms/bank-operations/stress-test-reporting.html>).

**SUPPLEMENTARY INFORMATION:** The OCC is requesting comment on the following revision to an approved information collection:

Title: Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$50 Billion or More under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

OMB Control No.: 1557-0319.

Description: Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>1</sup> (Dodd-Frank Act) requires certain financial companies, including national banks and federal savings associations, to conduct annual stress tests<sup>2</sup> and requires the primary financial regulatory agency<sup>3</sup> of those financial companies to issue

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<sup>1</sup> Pub. L. 111-203, 124 Stat. 1376, July 2010.

<sup>2</sup> 12 U.S.C. 5365(i)(2)(A).

<sup>3</sup> 12 U.S.C. 5301(12).

regulations implementing the stress test requirements.<sup>4</sup> A national bank or federal savings association is a “covered institution” and therefore subject to the stress test requirements if its total consolidated assets are more than \$10 billion. Under section 165(i)(2), a covered institution is required to submit to the Board of Governors of the Federal Reserve System (Board) and to its primary financial regulatory agency a report at such time, in such form, and containing such information as the primary financial regulatory agency may require.<sup>5</sup> On October 9, 2012, the OCC published in the *Federal Register* a final rule implementing the section 165(i)(2) annual stress test requirement.<sup>6</sup> This rule describes the reports and information collections required to meet the reporting requirements under section 165(i)(2). Information collected will be kept private to the extent permitted by law.

In 2012, the OCC first implemented the reporting templates referenced in the final rule. *See* 77 FR 49485 (August 16, 2012) and 77 FR 66663 (November 6, 2012). The OCC is now revising them as described below.

The OCC intends to use the data collected to assess the reasonableness of the stress test results of covered institutions and to provide forward-looking information to the OCC regarding a covered institution’s capital adequacy. The OCC also may use the results of the stress tests to determine whether additional analytical techniques and exercises could be appropriate to identify, measure, and monitor risks at the covered institution. The stress test results are expected to support ongoing improvement in a

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<sup>4</sup> 12 U.S.C. 5365(i)(2)(C).

<sup>5</sup> 12 U.S.C. 5365(i)(2)(B).

<sup>6</sup> 77 FR 61238 (October 9, 2012) (codified at 12 CFR part 46).

covered institution's stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

The OCC recognizes that many covered institutions with total consolidated assets of \$50 billion or more are required to submit reports using Comprehensive Capital Analysis and Review (CCAR) reporting form FR Y-14A.<sup>7</sup> The OCC also recognizes the Board has modified the FR Y-14A and, to the extent practical, the OCC has kept its reporting requirements consistent with the Board's FR Y-14A in order to minimize burden on covered institutions.<sup>8</sup> The OCC is revising its reporting requirements to mirror the Board's FR Y-14A for covered institutions with total consolidated assets of \$50 billion or more. In addition to the changes that parallel the Board's changes to the FR Y-14A, the OCC is also making two other changes. First, the OCC is modifying the OCC Supplemental Schedule. Second, the OCC is allowing federal savings associations to comply with the reporting requirements applicable to subsidiaries of large, noncomplex holding companies, as defined by the Board. These changes are described in more detail below.

### **Revisions to Reporting Templates that Mirror Changes by the Board**

The revisions to the DFAST-14A reporting templates consist of the following:

- Eliminating two schedules, the Regulatory Capital Transitions Schedule and Retail Repurchase Exposures Schedule;

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<sup>7</sup> <http://www.federalreserve.gov/reportforms>.

<sup>8</sup> 82 FR 59608 (December 15, 2017).

- Adding one item to the counterparty worksheet of the summary schedule to collect information of Funding Valuation Adjustments (FVAs) for firms subject to the Global Market Shock;
- Modifying instructions to clarify reporting of “Credit Loss Portion” and “Non-Credit Loss Portion” information for AFS/HTM worksheets in the summary schedule.

### **OCC Supplemental Schedule**

In 2017 the OCC introduced a Supplemental Schedule that collects additional information not included in the FR Y-14A. The revisions include modifications to the OCC Supplemental Schedule. These modifications to the Supplemental Schedule consist of clarifying instructions as well as adding, deleting, and modifying existing data items. The total number of items in the Supplemental Schedule will be reduced by approximately half, reflecting the OCC’s commitment to reducing the reporting burden associated with this schedule. In particular, the revisions delete existing data items on Allowance for Loan and Lease Loss data and Provisions data. The OCC periodically reviews its data collection to identify fields whose collection are no longer necessary to support the OCC’s supervisory objectives, and the allowance and provision fields were identified for elimination as part of this review. The revisions also eliminate the materiality thresholds for the reporting of certain items. Only national banks that are subsidiaries of large, complex firms, as defined by the Board, are required to complete the Supplemental Schedule, and the OCC believes that it is appropriate and manageable for these larger national banks to report these items.

## **Federal Savings Associations**

Beginning in 2017, the Board and the OCC allowed institutions that were subsidiaries of large, non-complex holding companies, as defined by the Board, to comply with simplified reporting requirements and not complete certain subschedules of the FR Y-14A and DFAST-14A reporting forms. The revisions allow federal savings associations that qualify as over \$50 billion covered institutions to comply with these simplified reporting requirements.

Savings and loan holding companies are not currently required to submit the Board's FR Y-14A reporting forms. Similarly, the Board's capital plan rule includes a definition for "large and noncomplex bank holding compan[ies]" but does not include a parallel definition for savings and loan holding companies. Accordingly, savings and loan holding companies and federal savings associations that have the same characteristics as other large and noncomplex firms would not technically qualify for the simplified reporting requirements. The revisions modify the DFAST-14A reporting forms and instructions to provide that all federal savings associations may comply with these simplified reporting requirements. This change promotes parity between national banks and federal savings associations that have similar size profiles and economic characteristics.

## **Response to Comments**

The OCC received one comment from a trade association. The commenter suggested that the effective date for changes to the OCC reporting templates align with changes to the Board's reporting forms. The commenter also suggested that there should

be a minimum of six months between the publication of final changes to the reporting templates and the effective date of the changes. According to the commenter, it is important to factor in the amount of time necessary to resolve clarifying questions.

The OCC recognizes the challenges with implementing changes in a timely and controlled manner. The OCC continues to balance the need to collect additional information with the objective of providing as much time as is feasible in advance of implementation. With respect to the changes in this notice, the OCC has sought to align effective dates for reporting requirements to the extent practical with synonymous changes to the Board's Y-14A. For example, the OCC is eliminating the Regulatory Capital Transitions Schedule and the Retail Repurchase Schedule to parallel the Board's changes to the Y-14A. The addition of one item to the counterparty worksheet to collect information on FVAs is consistent with changes made by the Board. The OCC believes that many of the reporting template changes are either burden-neutral or burden-reducing. In addition to eliminating the two schedules referenced above, the OCC is also reducing the number of data items in the Supplemental Schedule by approximately half. The OCC continually seeks to clarify and improve the DFAST-14A reporting instructions; nevertheless, as is the case with all reporting templates, there will always be clarifying questions from the industry, and the OCC seeks to respond to questions in a timely manner.

The commenter also suggested that the technical instructions accompanying any changes in the reporting templates be subject to public notice and comment. The OCC will continue to publish technical instructions as early as feasible. The technical changes do not alter the burden associated with the reporting forms and do not impose additional



requirements. The technical instructions provide procedures for the submission of DFAST-14A data, covering matters such as file format and other technical specifications. While the OCC publishes the technical instructions as early as possible, the OCC and the Board have historically not published the technical instructions for notice and comment.

The commenter also questioned the need for the OCC Supplemental Schedule. The commenter suggested that the Supplemental Schedule did not serve a supervisory purpose. The commenter also opposed the elimination of the materiality thresholds for certain items, which the commenter believed would increase the reporting burden.

The OCC considers those items included in the OCC Supplemental Schedule as material risks that are necessary for monitoring and assessing a covered institution's capital adequacy and capital planning process. By requiring only subsidiaries of large, complex firms, as defined by the Board, to complete this schedule, these requirements now align with reporting exceptions for a number of summary and operational risk subschedules. To minimize reporting burden the OCC has reduced the number of Supplemental Schedule reporting items in half as part of its process to continually ensure that only key risk elements are included within this schedule. As these items represent key risks, relatively smaller amounts of exposures within individual firms could represent material aggregate risks to the banking system. Therefore, the OCC has substituted materiality thresholds for reporting exemptions based on the size and complexity of the parent holding company, thereby aligning the reporting exceptions with a number of summary and operational risk subschedules.

Regarding data collection challenges posed by the Supplemental Schedule for covered institutions, as noted in the instructions, covered institutions that cannot use

existing models and methodologies to furnish requested information on the OCC Supplemental Schedule may use allocations, expert judgment, or other methods for projections of balances, losses, and allowances if data is not available at the requested level of granularity. Covered institutions should supply appropriate documentation explaining their approach.

### **Other Changes**

The OCC proposed to eliminate references to the term “extraordinary items” to align with Federal Accounting Standards Board (FASB) Subtopic 255-30. The Board has decided to delay this change with respect to its FR Y-14A; therefore, in order to promote consistency between the OCC DFAST-14A and the FR Y-14A, the OCC will delay this change until further notice.

Type of Review: Revision.

Affected Public: Businesses or other for-profit.

Estimated Number of Respondents: 26

Estimated Total Annual Burden: 13,949 hours.

The OCC believes that the systems covered institutions use to prepare the FR Y-14 reporting templates to submit to the Board will also be used to prepare the reporting templates described in this notice. Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record. Comments continue to be invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Dated: January 29, 2018

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Karen Solomon,  
Acting Senior Deputy Comptroller and Chief Counsel.  
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